



Value, Price and Profit

By 1863 Karl Marx had a [sketch plan](#) that was beginning to resemble the shape of the full work that was published in 1867 as “Capital, Volume 1”.

By 1865 when he did “[Value, Price and Profit](#)” ([download linked below](#)), Marx had solved most of the literary as well as the theoretical problems of his master-work.

“Value, Price and Profit” is an address delivered by Karl Marx at two sessions of the General Council of the First International on June 20 and 27, 1865. This is a point where Karl Marx’s theoretical work comes face-to-face with his activities as a political leader, and actually the principal political leader of the International Working Men’s Association, otherwise known as the First International.

The [Introduction to the 1969 edition](#) of “Value, Price and Profit” makes clear that this June 1863 moment was crucial in the history of the organised working class, and that Marx saved the day and saved the movement with this outstanding, classic piece of work.

“Value, Price and Profit” has subsequently served various purposes. Because it debunks the argument, still used by employers in South Africa today, that wage rises cause unemployment, “Value, Price and Profit” has been a mainstay for generations of shop stewards and union negotiators.

A version of the same anti-working-class “fixed fund” argument countered by Marx was used by Richard Baloyi, the employing Public Services Minister, during the 2010 public service workers’ strike in Johannesburg. Another version was the economist Mike Schussler’s argument that workers are overpaid in South Africa.

Furthermore, and prefiguring Lenin’s argument against “Economism” four decades later in “What is to be Done?”, “Value, Price and Profit” states clearly that trade unionism without political organisation will never succeed in throwing off the yoke of capital (see the excerpt from Chapter 14).

This abridged version of “Value, Price and Profit” can also serve as a “mini-Capital”, i.e. as the short version of “Capital” that so many people yearn for. It will at least help us to get a better grip on some of the key concepts such as Labour, Value, Labour-Power, Surplus-Labour, Surplus-Value and Profit.

The two quoted paragraphs that follow are particularly instructive. Hobbes' 1651 book "Leviathan" was a tremendous groundbreaker; Karl Marx notes here that Hobbes had *"instinctively hit upon this point overlooked by all his successors"*, namely the distinction between Labour-Power and Labour, which Marx had worked so hard and so long to see clearly (see the remarks about the hunt for surplus value in our earlier post on [Wage Labour and Capital](#))

'What the working man sells is not directly his labour, but his labouring power, the temporary disposal of which he makes over to the capitalist. This is so much the case that I do not know whether by the English Laws, but certainly by some Continental Laws, the maximum time is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored. Such a sale, if it comprised his lifetime, for example, would make him at once the lifelong slave of his employer.'

'One of the oldest economists and most original philosophers of England — Thomas Hobbes — has already, in his ["Leviathan"](#), instinctively hit upon this point overlooked by all his successors. He says: "the value or worth of a man is, as in all other things, his price: that is so much as would be given for the use of his power." Proceeding from this basis, we shall be able to determine the value of labour as that of all other commodities.'

"Value, Price and Profit" includes a counter-intuitive surprise

in Marx's statement that "Profit is made by Selling a Commodity at its Value". In other words, capitalism would still exist even if it had to shed its nasty price-gouging habits. Capitalism as such is not a simple swindle, but it is a system and a class relationship.

The source of the "self-increase of capital" is located in the workplace, and not in the marketplace. This is the fundamental message of "Capital", the greatest "classic" of them all. "Capital" will not be included here but it will have its own separate, dedicated course. "Value, Price and Profit" will have to represent it here.

In the next part of this course on the classics, we will move to the period after the publication of "Capital", when with the active involvement of Marx and Engels, the working-class movement revived, organised and expanded in Europe as never before in history.

The image is of a capitalist, by [George Grosz](#).

- The above is to introduce the original reading-text: [Value, Price and Profit, Chapters 6 to 10, 1865, Marx; Excerpt from Chapter 14](#).
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